

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

BOUSTEAD SECURITIES, LLC,

Plaintiff,

-v-

LEAPING GROUP CO., LTD., AND ATIF
HOLDINGS LIMITED,

Defendants.

USDC SDNY
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DATE FILED: 7/2/2025

ORDER

20-CV-03749 (VEC) (HJR)

HENRY J. RICARDO, United States Magistrate Judge.

In support of its requested damages award, Plaintiff offered expert testimony from Patrick O'Shea concerning the value of the warrants that Leaping was required to provide Plaintiff under the terms of their contract. Dkt. No. 194. However, Mr. O'Shea incorrectly testified that the governing contract specified that the exercise price was to be a 20 percent premium above the share price. *Id.* at 13.

Plaintiff later submitted an affidavit from Mr. O'Shea recalculating the value of the warrants using an exercise price equal to the prevailing stock price, *i.e.*, an exercise price at a zero premium to the stock price. This new assumption had the effect of increasing Plaintiff's damages by \$46,795. But Mr. O'Shea's affidavit fails to explain why a zero premium is a reasonable input for the Black-Scholes model in these circumstances.

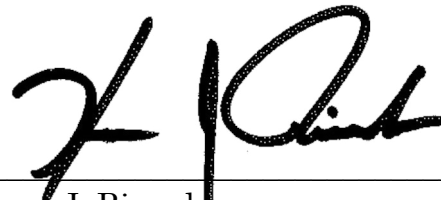
Plaintiff bears the burden of providing evidentiary support for its damages calculation. In the case of valuing the warrants, this means Plaintiff must provide

evidence justifying each input used in the Black-Scholes model. Plaintiff has failed to do so for the exercise price.

The Court will provide Plaintiff one final opportunity to submit by **July 18, 2025**, supplemental expert testimony addressing what exercise price should be used in valuing the warrants, including why such exercise price is appropriate in this context. If Plaintiff fails to provide satisfactory evidence to support each input for the Black-Scholes model, the Court will not award damages for the value of the warrants.

SO ORDERED.

Dated: July 2, 2025
New York, New York

A handwritten signature in black ink, appearing to read 'H. Ricardo', is written over a horizontal line.

Henry J. Ricardo
United States Magistrate Judge